

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE



REPORT OF THE  
INDIAN TARIFF BOARD  
ON  
CONTINUANCE OF PROTECTION TO THE  
ANTIMONY INDUSTRY

---

BOMBAY

1949

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE



REPORT OF THE  
INDIAN TARIFF BOARD  
ON  
CONTINUANCE OF PROTECTION TO THE  
ANTIMONY INDUSTRY

BOMBAY

1949

PUBLISHED BY THE MANAGER OF PUBLICATIONS DELHI  
PRINTED IN INDIA BY THE MANAGER GOVERNMENT OF INDIA PRESS SERA 1949

Price : Rs. -[8]- or 98

## List of Agents in India from whom Government of India Publications are available

### AGRA—

1. National Book House, Jeomandi
2. The English Book Depot, Taj Road.
3. Wadhwa & Co., Raja Mandi.

### AHMEDABAD—

1. Chandra Kant Chiman Lal Vohra.
2. New Order Book Co.

### AJMER.—Banthiya & Co., Ltd., Station Road.

### AKOLA.—Bakshi, Mr. M. G.

### ALLAHABAD—

1. Central Book Depot, 44, Johnstonganj.
2. Kitabistan, 17-A, City Road.
3. Ram Narain Lal, 1, Hanik Road.
4. Law Book Company, Post Box No. 4, Albert Rd.
5. Wheeler & Co., M/S. A.H.
6. Superintendent Printing & Stationery, U. P.
7. University Book Agency (of Lahore), P.B. No. 63.

### AMBALA CANTT.—

1. English Book Depot.
2. Rama Krishna & Sons, Railway Road.

### AMRITSAR—

1. The People's Book Shop, Court Road.
2. Sikh Publishing House Ltd., Court Road.

### BANARAS—

1. Students Friends, Booksellers, University Gate.
2. Hindi Pustak Agency. (For Hindi publications only.)

### BANGALORE—

1. Book Emporium, Messrs. S.S., 118, Q. H.-Extension, Barasavangudi P.O.
2. Vichara Sahitya Ltd., Balepet.

### BAREILLY.—Sahitya Niketan, Booksellers etc, Pul-Kazi.

### BARODA.—Good Companions, Booksellers & Stationers.

### BIKANER.—Goyal & Co.

### BOMBAY—

1. Co-operator's Book Depot, 9, Bakehouse.
2. Lakhani Book Depot, Bombay 4.
3. New Book Co., Kitab Mahal, 188-90, Hornby Road.
4. Popular Book Depot, Grant Road.
5. Taraporavala Sons & Co., M/S. D. S.
6. Thacker & Co., Ltd.
7. Tripathi & Co., M/S. N. M., Princess St.
8. Wheeler & Co., M/S. A.H.
9. M/S. National Information & Publications Ltd., National House.
10. The Sydanham College Co-operative Stores Ltd., 90, Hornby Road, Fort.
11. Butt & Company, P.O. Box 6014, Parcel, Bombay 12.
12. Supdt. Govt. Printing & Stationery, Queens Road.
13. Clifton & Co., Post Box 6753, SION.

### CALCUTTA—

1. Chatterjee & Co. S., Bacharam Chatterjee Lane.
2. Hindu Library, 68-A, Balaram De Street.
3. Lahiri & Co., Ltd., M/S. S. K.
4. Newman & Co., Ltd., M/S. W.
5. Roy Chowdhury & Co., M/S. N.M., 72, Harrison Road.
6. Sarkar & Sons Ltd., M/S. S. G., 1/1/1-C, College Square.
7. Thacker Spink & Co. (1933) Ltd.
8. Standard Law Book Society, 41, Beltala Road, Bhowanipore P. O.
9. R. Cambay & Co. Ltd., Kant House, P 33, Mission Row Extension.
10. Hindi Pustak Agency, 203 Harrison Rd. (For Hindi Pubs. only.)

### CUTTACK.—Press Officer, Orissa Secretariat.

### DEHRADUN.—Jugal Kishore & Co., Rajpur Road.

### DELHI—

1. Federal Law Depot, Kashmere Gate.
2. Technical & Commercial Book Co., Students Park, Kashmere Gate.
3. Atma Ram & Sons, Publishers etc.
4. Jaina & Bros., M/S. J. M., Mori Gate.
5. M. Gulab Singh & Sons, 1, Darya Ganj.
6. Imperial Publishing Co., 3 Faiz Bazar, Darya Ganj.
7. N. C. Kansil & Co., Model Basti, Lane No. 3.
8. Youngman & Co. (Regd.), Egerton Road.
9. New Stationery House Booksellers etc., Subzi mandi.
10. Metropolitan Book Co.
11. Hindi Pustak Agency. (For Hindi Publications only.)
12. Bahri Brothers, Booksellers.

### FEROZEPUR CANTT.—English Book Depot:

### GWALIOR—

1. Jain & Brothers, M/S. M.B., Sarafa Road.
2. Mr. P. T. Sathe, Law Books Dealer.

### HYDERABAD DECCAN.—Hyderabad Book Depot.

### INDORE.—Students and Studies, Booksellers, Sanyagita Ganj.

### JAIPUR CITY.—Garg Book Company, Tripola Bazar.

### JAMMU (TAWI).—Krishna General Stores, Booksellers etc, Baghumath Bazar.

### JHANSI.—Bhatia Book Depot, Sadar Bazar.

### JODHPUR—

1. Kitab Ghar, Sajoti Gate.
2. Mr. Dwarkadas Bathi, Bookseller.

### KANPUR—

1. Advani & Co., The Mall.
2. Universal Book Stall, The Mall.
3. Sahitya Niketan, Booksellers etc.

### KOLHAPUR.—Maharashtra Granth Bhandar.

### LUDHIANA—

1. Mr. Dharam Parkash, B.Sc., Bookseller etc., Benjammin Road.
2. Lyall Book Depot, Booksellers.

### LUCKNOW—

1. J. Ray and Sons (India) Ltd.
2. Law Book Agency Publishers etc. 29-A, Kachary Road.
3. Universal Publishers, Ltd., Plaza Building, Hazrat Ganj.
4. Upper India Publishing House Ltd., Literature Place, Aminuddaula Park.
5. New Oxford Book Co., Jahangirabad Palace.

### MADRAS—

1. Higginbothams.
2. Varadachary & Co., M/S. P.
3. Supdt. Government Press, Mount Road.

### MEERUT CANTT.—Mr. Dharam Parkash, B.Sc. Booksellers etc.

### NAGPUR.—Supdt. Govt. Printing, Central Provinces.

### NEW DELHI—

1. Amrit Book Co., Connaught Circus.
2. Bhawnani & Sons, Connaught Place.
3. Jaina Book Agency, Connaught Place.
4. E. S. Bawa Harikishan Das Bedi, Importers etc.
5. Saraswati Book Depot, 15, Lady Harding Road.
6. Faqir Chand Marwah & Sons, No. 1-A, Regal Building, Connaught Circus.
7. Rama Krishan & Sons (of Lahore) 13/15 Connaught Place.
8. Oxford Book & Stationery Coy., Scindia House.
9. J. Ray & Sons (India) Ltd.
10. Empire Book Depot.
11. Sikh Publishing House Ltd. 76, Connaught Place.
12. Clifton & Co., Original Road.

### PATNA.—Supdt. Govt. Printing Bihar, P.O. Chaurbagh.

### PATNA CITY—

1. Lakshmi Trading Co., Padri Ki Haveli.
2. Baghumath Parshad & Sons.
3. Hindi Pustak Agency. (For Hindi Publications only).

### PATIALA.—Jainco, Booksellers etc., Bazar Shah Nashin.

### POONA—

1. Deccan Bookstall, Fergusson College Road.
2. International Book Service, Deccan Gymkhana.

### RAJKOT.—Mohanlal Dossabhai Shah.

### ROORKEE.—The Cambridge Book Depot.

### SHILLONG.—Supdt. Assam Secretariat Press.

### SIMLA—

1. Sunder Das & Sons, Booksellers, 141, Lower Bazar.
2. J. Ray & Sons (India) Ltd.
3. Minerva Book Shop, Regal Cinema Building.

### TRICHINOPOLY FORT.—Krishnaswami & Co., Messrs. S., Teppakulam.

### TRIVANDRUM.—International Book House, Bookseller etc., Balla Challe.

### YELLORE.—Venkatasubban, Mr. A., Law Bookseller.

## PERSONNEL OF THE BOARD

MR. G. L. MEHTA—PRESIDENT.

DR. H. L. DEY, D.Sc. (LOND.)—MEMBER.

DR. B. V. NARAYANASWAMY NAIDU, M.A., B.Com., Ph.D.,  
BARRISTER-AT-LAW—MEMBER.

MR. M. E. RAHMAN—MEMBER.

MR. B. N. ADARKAR—MEMBER.

MR. R. DORAISWAMY—SECRETARY.

---

## PERSONNEL OF THE BOARD WHICH HEARD THE CASE

MR. G. L. MEHTA—PRESIDENT.

DR. B. V. NARAYANASWAMY NAIDU, M.A., B.Com., Ph.D.,  
BARRISTER-AT-LAW—MEMBER.

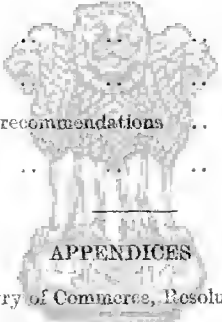


सत्यमेव जयते

(ii)

CONTENTS

PARA	PAGE
1. Introduction .. .. .	1
2. Previous Tariff Board's recommendations and Government's orders thereon ..	1
3. Method of inquiry .. .. .	3
4. Estimated Indian demand .. .. .	4
5. Domestic production .. .. .	4
6. Quality .. .. .	5
7. Imports and import control .. .. .	5
8. Existing rates of duty .. .. .	6
9. C.i.f. prices .. .. .	6
10. Board's estimate of cost of production and fair selling price .. .. .	6
11. Measure of protection .. .. .	9
12. Eligibility for protection .. .. .	9
13. Other recommendations .. .. .	10
14. Summary of conclusions and recommendations .. .. .	11
15. Acknowledgments .. .. .	12

  
APPENDICES

I. Government of India, Ministry of Commerce, Resolution No. 30-T(1)/48 dated the 6th August 1948 .. .. .	13
II. List of witnesses examined by the Board and the dates on which they were examined .. .. .	14
III. Statement showing the break-up of landed cost into c.i.f., customs duty and clearing charges of Antimony and Antimony ore .. .. .	15

## **REPORT ON CONTINUANCE OF PROTECTION TO THE ANTIMONY INDUSTRY**

**Introduction.**—Representatives of the Star Metal Refinery, Bombay, the only producer of antimony metal, approached the Board in February, 1949, with a request that protection granted to the indigenous industry should be continued after 31st March, 1950. They pointed out that since the last tariff inquiry, foreign metal was being landed in India at a price much lower than the price of the antimony ore. With the partition of the country, the supply of ore from Chitral State, which was the indigenous source of supply, did not continue, as the State is in the Dominion of Pakistan. The industry has, therefore, to obtain its requirements of ore from abroad. The price of Bolivian ore, which is being used by the industry, is stated to be much higher than the price of Chitral ore. It was, therefore, requested that the quantum of protection already granted to the industry, should be suitably revised. Moreover, as the protection which was extended to the industry by the Protective Duties (Miscellaneous Provisions) Act, 1949, expires on 31st March 1950, the Board, in accordance with the Government of India, Ministry of Commerce Resolution No. 30-T(1) 48, dated 6th August, 1948 (*vide* Appendix I), has to conduct an inquiry into the question of continuance of protection to the industry after this date.

**2. Previous Tariff Board's recommendations and Government's orders thereon.**—(a) The Government of India in the Department of Commerce Resolution No. 218-T(55) 45 dated 3rd November, 1945, referred to the Tariff Board, among other industries, the case of the antimony industry for investigation into its claim for protection or assistance. After conducting necessary inquiries, the Board submitted its Report in April, 1946. The recommendations of the Board were as follows:—

(i) A protective duty of Rs. 60 per cwt. should be levied up to the end of March, 1949 ;

(ii) The specific duty should be modified under Section 4(1) of the Indian Tariff Act of 1934 in the light of any variation in the c.i.f. price of Star antimony imported from anywhere above Rs. 90 or below Rs. 90 per cwt. ;

(iii) There should be separate heads in the Tariff : Schedule for antimony and antimony crude. The specific duty on antimony crude should be 70 per cent. of the duty levied on antimony metal ;

(iv) Government should pay a subsidy to the Refinery in respect of actual sales equal to the difference between the sale price of Rs. 150/- per cwt. and the actual cost of production in 1947 but not exceeding Rs. 13 per cwt. The payment of subsidy should be similarly determined at the end of 1948 in the light of actual cost of production in 1948 ;

(v) In consideration of the grant of subsidy, the Refinery should give an undertaking that all antimony would be sold at a maximum price of Rs. 150/- per cwt. ;

(vi) The Central Government in the Department of Industries and Supplies should give every assistance to the Mining Company to secure a generating plant for working the flotation plant at the minehead ;

(vii) The Central Government in the Department of Labour should examine the feasibility of constructing a road 40 miles in length over the Dir Pass between Peshawar and Chitral, construction being justified if the road will also serve other purposes than reducing the cost of antimony ore mined at Chitral ;

(viii) A review should be undertaken in the course of the year 1947 and the question whether the company should be asked to continue itself into a public limited concern should be examined ; and

(ix) Government requirements of antimony should be met from the indigenous production even if the price of imported material is lower than that of Indian production.

(b) The Government of India, Ministry of Commerce, in their Resolution No. 218-T(20)47, dated 22nd March, 1947, stated that, after careful consideration of the recommendations of the Board, they accepted the view that the industry deserved protection as a key industry. They also stated that since antimony was an essential material for munitions production as well as for such important industrial requirements as type metals and anti-friction bearing metals, the national importance of the industry was sufficient to outweigh the natural disadvantages from which it laboured. Accordingly, Government decided to convert the then existing revenue duty on antimony of 50 per cent *ad valorem* into a protective duty at the same rate. Government held that this would serve as an assurance to the industry that it was deserving of protection and would enable Government to give a further degree of protection, by executive action, if and when it was found necessary. Further, they were of the view that the high landed cost of imported antimony then prevailing would also provide sufficient protection for the industry for some time. At the time of examination of the Board's Report, Govt. found that since the submission of the Tariff Board's report the position had changed substantially in several material respects. Apart from the fact that the industry had been using some quantity of imported ore—which caused the Board to revise its recommendations—the cost of production at the Star Metal Refinery had fallen to Rs. 195 per cwt. while the landed cost, including duty, of imported antimony was reported to have risen to Rs. 162-8-0 per cwt. In view of these developments, Government considered that it would be unnecessary to subsidise the industry and that it would be sufficient to grant protection by means of a protective *ad valorem* duty. Government also observed that no reliable estimate of the volume of ore deposits in Chitral was available to the Tariff Board. If the ore resources should prove to be limited, it would be undesirable to exploit them at too fast a rate and the prudent course would be to conserve them as a strategic reserve for utilization in times of emergency. Government accordingly decided to arrange for an investigation into the extent of these ore deposits. Government also accepted recommendation (iii),

except that they decided that the protective duty on crude antimony was to be an *ad valorem* duty of 20 per cent (approximately 70 per cent of the duty on antimony). Recommendations (vi), (viii) and (ix) were also accepted and Government undertook to take steps to give effect to them subject to the proviso that, should the ore deposits prove to be limited, the decision in respect of recommendation (ix) would be reconsidered. Recommendation (vii) was to be examined further by the appropriate Department of Government.

(c) When the period of protection was about to expire, the Board, in the latter half of 1948, inquired into the question of continuance of protection to this industry after 31st March, 1949, in accordance with the Government of India, Ministry of Commerce, Resolution No. 30-T(1) 48 dated 6th August, 1948. On examining the data collected, the Board came to the conclusion that there was a *prima facie* case for continuance of protection for one more year, i.e. up to 31st March, 1950. Accordingly, the Board in its letter No. TB[G]1(15), dated 17th December, 1948, to the Government of India, Ministry of Commerce, recommended continuance of protection for a further period of one year beyond 31st March, 1949. The protection granted to this industry was accordingly continued until 31st March 1950, by the Protective Duties (Miscellaneous Provisions) Act, 1949.

**3. Method of inquiry.**—(a) On 23rd April, 1949, the Board issued its standard questionnaire for review cases to the Star Metal Refinery Bombay, the only known producer of antimony metal in this country. On 1st June, 1949, questionnaires were also sent to the principal importers and consumers of antimony. The Collectors of Customs, Bombay, Madras and Calcutta were requested to furnish c.i.f. prices of the imported metal.

(b) Dr. B.V. Narayanaswamy Naidu and Mr. M.E. Rahman Members of the Board, accompanied by Mr. R. Doraiswamy, Secretary and Mr. R. N. Kapur, Board's Technical Adviser visited the works of the Star Metal Refinery on 30th June, 1949.

(c) On 5th July, 1949, Dr. Narayanaswamy Naidu, Member of the Board, held a discussion with local importers regarding imports of antimony metal and antimony ore, as well as regarding domestic demand for antimony metal and the extent of foreign competition. On 6th July, 1949, Dr. Naidu had also a discussion with consumers regarding the consumption of antimony for type foundry, the quality of the indigenous product and the fluctuations in antimony prices. Dr. Naidu also had a discussion with representatives of the G.I.P. and the B.B. & C.I. Railways on 7th July, 1949, who are consumers of antimony. Representatives of the Star Metal Refinery met Mr. G.L. Mehta, President and Dr. Narayanaswamy Naidu, Member, at the Board's office on 8th July, 1949, when detailed discussions took place. On 9th July, 1949, Dr. Naidu interviewed the representatives of Messrs. Estrela Batteries Ltd., Bombay, Messrs. Standard Batteries Ltd., Bombay, and Messrs. Indian Standard Metal Co., Bombay, who are also consumers of antimony. A list of the persons representing different interests who were interviewed is given



in Appendix II. Mr. S.V. Rajan, the Borad's Cost Accountant, examined on 11th July, 1949 the cost data relating to antimony metal manufactured by the Star Metal Refinery.

**4. Estimated Indian Demand.**—The Tariff Board (1946) estimated the probable future demand for antimony in undivided India at 300 tons per annum while the Directorate General of Industries and Supplies, New Delhi, has estimated India's present requirements at 1,000 tons per annum. In view of the fact that the country has been partitioned since the Board's last inquiry and the off-take of the consuming industries has varied, it was considered necessary to revise the Board's previous estimate of 300 tons in the light of the present requirements. The various estimates of domestic demand for antimony metal furnished by the D.G.I. & S., certain consumers and importers, were discussed with the interests concerned. After full discussion, it was agreed that the country's demand could be placed at about 600 tons per annum during the next three years. The approximate industry-wise break-up of this demand is given below:—

	Tons						
1. Requirements of Ordnance Factories .. .. .	..	..	..	..	..	..	55
2. Requirements of Railways .. .. .	..	..	..	..	..	..	200
3. Requirements of the indigenous storage battery industry .. .. .	..	..	..	..	..	..	250
4. Other civil requirements .. .. .	..	..	..	..	..	..	95
Total ..							600

Although the overall consumption of anti-friction metal by the Railways has increased, their demand for virgin antimony metal has gone down, as a portion of their demand is now met by them by reconditioning used anti-friction metal.

**5. Domestic production.**—Indian production of antimony is confined only to one factory, viz., the Star Metal Refinery, Bombay. The rated capacity of this factory is stated to be about 600 tons per annum, which can be stepped up to 1,000 tons, with some modifications in its existing machinery, provided good Bolivian ore of high percentage of purity is made available. The production of this factory during the last four years was as under:—

Year (July to June)	Production (in tons)						
1945-46 .. .. .	..	..	..	..	..	..	119
1946-47 .. .. .	..	..	..	..	..	..	210
1947-48 .. .. .	..	..	..	..	..	..	298
1948-49 .. .. .	..	..	..	..	..	..	149
(up to 31-5-49)							

It will be observed from the above figures that the maximum output during the last four years was achieved in 1947-48, when the production was about 50 per cent of the firm's capacity. During the eleven months of 1948-49 (July 1948—May 1949) for which production data are available, the firm produced to the extent of about 27 per cent of its capacity. The steep fall during this period was stated to be due to insufficient supplies of antimony ore and lack of demand for indigenous product caused by large imports of antimony metal during the last two years. If the full requirements of the industry for antimony ore are met and an off-take

of a major portion of its production is guaranteed, we are confident that the industry will be able to step up its production and meet the entire demand of the country.

**6. Quality.**—The consensus of opinion is that the quality of the indigenous metal is satisfactory. The D.G.I. & S. have also testified to the satisfactory quality of the indigenous product, stating that in some cases it is even superior to Chinese metal. The industry has shown considerable enterprise and between the last tariff inquiry and now, it has improved the quality considerably. In order, however, to ensure that a uniform quality is supplied to consumers, we recommend that the industry should formulate standards in consultation with the Indian Standards Institution, Delhi.

**7. Imports and Imports control.**—(a) Imports of antimony ore and antimony metal are not separately shown in the Sea-Borne Trade Statistics. In the tariff inquiries, it is necessary to find out the volume of imports of the products for which protection is asked. Further, it is also essential to watch the degree of competition from abroad in respect of protected industries. We, therefore, recommend that statistics of imports of crude antimony and antimony metal should be separately compiled and shown in the Accounts relating to the Sea-Borne Trade and Navigation of India.

(b) We are informed by the Directorate General of Industries and Supplies that during the year 1948, 1,300 tons of antimony ore and 625 tons of antimony metal were licensed for imports. The quantity actually imported during the year was 571 tons of ore and 528 tons of metal. The principal supplier of ore were Burma and South America while the chief supplier of metal was China, which supplied nearly 99 per cent. of the total imports. A small quantity of metal was also imported from the U.K.

(c) Antimony metal is not at present on O.G.L. XV. Import licences for the metal are issued by the Directorate General of Industries and Supplies. It is stated by the Directorate General of Industries and Supplies that if applications for imports of the metal from sterling countries are received, and if change is available for importing such metal, they should not necessarily refuse an import license. We are told that during the first half of 1949, no licences were issued for import of antimony metal. As regards antimony ore, import from Burma is on the Open General Licence. Licences for imports from sources other than Burma are issued by the Chief Controller of Imports, New Delhi.

(d) The Star Metal Refinery stated that during 1948, the Directorate General of Industries and Supplies were too liberal in issuing import licences for antimony metal and did not take into account either the indigenous production or the quantum of demand. They further stated that due to this policy, stocks of the metal had accumulated with importers and that the indigenous industry was faced with severe competition. We were further informed by the manufacturer that while it was easier to obtain import licences for metal, it was difficult to obtain import licences for ore. It was, therefore, suggested that there should be some

sort of co-ordination between the authorities issuing licences for metal and those responsible for issue of import licences for ore and that licences should be issued, having regard to indigenous production and the quantum of domestic demand. We have examined this suggestion and consider that it is desirable to have effective co-ordination between the D.G.I. & S. and the C.C.I., in respect of import policy and issue of import licences. We, therefore, recommend that Government should consider the possibility of entrusting the issue of licences to one Department. As regards regulation of imports, we recommend that since exchange difficulties persist, imports of antimony metal should be allowed into the country after taking into consideration the quantum of indigenous production. We suggest that it would be in the interest of the country as well as the industry to import ore rather than the finished material. This would, to a certain extent, save the dollar expenditure as it is cheaper to import the ore.

8. **Existing rates of duty.**—Crude antimony is classified under item 70(2) and antimony, other than crude antimony, under item 70(3) of the Indian Customs Tariff. The relevant extract from the Customs Tariff (Thirtieth Issue) is reproduced below:—

Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty	
				The U.K.	A British Colony	Burma		
70 (2)	Crude Antimony ..	Protective.	20% <i>ad valorem.</i>	..	..	..	March 1950.	31st
70 (3)	Antimony other than crude antimony.	Protective.	30% <i>ad valorem.</i>	..	..	..	March 1950.	31st

9. **C.i.f. Prices.**—A statement of recent c.i.f. prices of antimony as furnished by the Collectors of Customs, Bombay, Calcutta and some of the importers is given in Appendix III. It was agreed by the manufacturer and importers that, as the industry is faced with competition from China and as the quality of the indigenous metal compares favourably with the Chinese metal, the c.i.f. price of the latter should be adopted as the basis of comparison.

10. **Board's estimate of cost of production and fair selling price.**—

(a) The Cost Accountant attached to the Board examined the cost of production of antimony produced by the Star Metal Refinery during the period, July to November, 1948 when there was continuous production. The following statement gives:—

- (i) the cost of production of antimony as estimated by the Tariff Board in 1946 (Column 2) and
- (ii) the actual cost of production of antimony as worked out by the Cost Accountant in respect of the five-month period, July to November, 1948 (Column 3).

*Statement, showing the cost of production in 1946 and 1948 and the Board's estimate of future cost.*

Period (1)	Cost as estimated by the Board in 1946 (2)				Actual cost of production for the period of 5 months July to November 1948 (3)				Board's estimate of future cost of production (4)			
	200 tons				131.48 tons				320 tons			
	Quantity cwts.	Rate per ton	Cost per cwt.	Rs.	Quantity cwts.	Rate per ton	Cost per cwt.	Rs.	Quantity cwts.	Rate per ton	Cost per cwt.	Rs.
Production .. .. .	..	..	..	..	..	..	..	..	..	..	..	..
Details												
<b>RAW MATERIALS</b>												
1. (a) Antimony ore .. .. .	5.000	490	122.50	Rs.	1.996	1276	127.34	Rs.	1.996	1150	114.77	Rs.
(b) Soda ash, iron scrap, etc. .. .. .	..	..	4.60	Rs.	..	..	8.25	Rs.	..	..	7.04	Rs.
Total materials cost .. .. .	..	..	127.10	Rs.	..	..	135.59	Rs.	..	..	121.81	Rs.
2. Power and fuel .. .. .	..	..	12.45	Rs.	..	..	6.74	Rs.	..	..	9.36	Rs.
3. Labour .. .. .	..	..	15.00	Rs.	..	..	8.65	Rs.	..	..	9.69	Rs.
4. Repairs & Maintenance .. .. .	..	..	4.00	Rs.	..	..	4.89	Rs.	..	..	4.89	Rs.
5. Consumable stores .. .. .	..	..	..	Rs.	..	..	1.56	Rs.	..	..	1.56	Rs.
6. Establishment .. .. .	..	..	10.00	Rs.	..	..	10.68	Rs.	..	..	11.12	Rs.

Period (1)	Cost as estimated by the Board in 1946 (2)			Actual cost of production for the period of 5 months July to November 1946 (3)			Board's estimate of future cost of production (4)		
	200 tons			131.48 tons			320 tons		
	Quantity cwts.	Rate per ton.	Cost per cwt.	Quantity cwts.	Rate per ton	Cost per cwt.	Quantity cwts.	Rate per ton	Cost per cwt.
<b>Production Details</b>									
7. Depreciation .. ..	..	Rs.	7.00	..	Rs.	3.55	..	Rs.	3.55
8. Other overheads .. ..	..	..	7.85	..	..	5.04	..	..	5.04
9. Packing charges .. ..	..	..	1.50	..	..	*	..	..	*
10. Interest on working capital ..	..	..	2.50	..	..	1.77	..	..	1.63
11. Total Gross Cost of Production ..	..	..	187.40	..	..	178.47	..	..	164.84
12. Less : Credit for antimony oxide ..	..	..	..	..	..	1.72	..	..	1.74
13. Total cost of production (Net) ..	..	..	187.40	..	..	176.75	..	..	162.90
Return on block .. ..	..	..	7.50	..	..	4.69	..	..	4.69
∴ Fair selling price .. ..	..	..	194.90	..	..	181.44	..	..	167.59
* Included under item (3). or	..	..	195	..	..	181	..	..	168

Based on the two sets of figures mentioned above, the Board has built up an estimate of future cost of production of antimony, which is given in Column 4 of the statement. In preparing this estimate, the Board has assumed a production of 320 tons of antimony per annum, based on the actual production of 131.48 tons during the period of 5 months, July to November, 1948. In 1946, the Company was using Chitral ore and 5 cwts. of that ore was needed to produce 1 cwt. of antimony. The Company is now using American ore which is superior; the actual costs in Column 3 and the future costs in Column 4 are based on the consumption of a quantity of 1,996 cwts. of American ore for producing 1 cwt. of antimony. For the purpose of future costs, ore is priced at Rs. 1,150 per ton based on the latest quotations (as against Rs. 1,276 per ton during the period, July to November 1948). We have also included in the future estimate a provision for provident fund and bonus which the Company pays to its labour and staff and have also allowed an overall increase of 5 per cent. on direct productive labour cost to cover the increase in the level of wages over the actuals of the period July to November 1948. Interest is allowed at 4 per cent. on working capital taken as equivalent to 3 months' cost of production. Return on block is allowed at 10 per cent on the gross block of 3 lakhs, as in 1946.

(b) On the basis explained above, the future fair selling price of 1 cwt. of antimony works out to Rs. 168 and we consider that this may be taken as a representative fair selling price for the next two years.

**11. Measure of protection.**—In paragraph 9, we have pointed out that the industry is faced with competition from China and as such, the manufacturer and importers suggested that the c.i.f. price of Chinese metal should be adopted as the basis for comparison. The present landed cost of Chinese metal is Rs. 168 per cwt. which includes a duty of 30 per cent. *ad valorem*. As already stated in paragraph 10(b) above, the fair selling price applicable to the next two years is also Rs. 168 per cwt. The existing duty would therefore be sufficient to protect the industry during the next two years and we, therefore, recommend that Government should continue the existing rate of protective duty of 30 per cent. *ad valorem* on antimony for a period of two years with effect from 1st April 1950. After discussion with the manufacturer, importers and consumers, we are also of the opinion that the existing protective duty of 20 per cent. on crude antimony, which was based on the recommendations of the previous Tariff Board, should continue for a further period of two years ending 31st March 1952. We accordingly recommend that this should be given effect to.

**12. Eligibility for protection.**—All the conditions of eligibility required to be fulfilled by an industry claiming protection have been satisfied in respect of this industry, as pointed out in paragraph 37 of the previous Tariff Board's Report (1946). It should, however, be mentioned that the principal raw material, *viz.*, antimony ore, is not now available in this country on account of the partition of the country. The only principal suppliers of this ore are Burma and Bolivia. We are, however, informed by the representatives of the industry that an agreement has been recently arrived at by the Government of India with the

**Government of Pakistan, whereby India has agreed to supply a certain quantity of antimony metal to Pakistan in return for which the latter would meet the entire requirements of ore of the Star Metal Refinery. Besides, the Star Metal Refinery is making every effort to form a Joint Stock Company to operate the mines at Chitral. We are also informed that antimony sulphide ore is available in the vicinity of Raipur in the Central Provinces and that the possibility of developing this area is being examined. We suggest that these possibilities should be fully explored without delay so as to obtain indigenous ore for this industry.**

**13. Other recommendations.**—Besides the request for continuance of protection beyond 31st March 1950, the industry has asked for the following assistance :—

(1) As the industry is in a position to meet the entire demand for antimony metal, its capacity being about 1,000 tons per annum, the import of antimony ore should be allowed in preference to that of antimony metal.

The principal supplier of antimony metal is China. The principal sources of supply of ore, as already observed, are Chitral, Burma and Bolivia. In view of the disturbed political conditions in Burma, it would be difficult to obtain a large scale supply of ore from that country in the immediate future. Until such time as the full requirements of the indigenous industry are met from Chitral ore, we recommended that ore should be allowed to be imported as a special case in order to enable the industry to step up its production and meet in full the demand of the country. This would, besides effecting a saving in dollar exchange to the extent of smelting and other charges, give employment to Indian labour and skilled technicians.

(2) The industry apprehends that it might be faced with difficulties in the matter of transport of ore from Chitral to its factory in Bombay.

We recommend that, as the industry is of vital importance, adequate transport facilities should be made available to it. The Government of India should take up with the Government of Pakistan the question of arranging the necessary transport facilities for movement of ore from Chitral to the Indian Dominion.

(3) The industry has complained that although Government accepted the previous Tariff Board's recommendation that Government purchases of antimony metal should be made from the indigenous suppliers, this recommendation has not been fully implemented in practice, as the price of indigenous metal was higher.

We have already stated that the quality of the indigenous product is satisfactory. Besides, the industry has been making every effort, since the last tariff inquiry, to reduce its cost of production. As it is essential in the national interests to be self-sufficient in respect of antimony, every encouragement should be given to this industry by purchase of Government's own requirements from indigenous sources. We therefore recommend that all Government purchases of antimony should be made from the indigenous manufacturer at the fair selling price determined by the Board, provided its quality continues to be satisfactory.

(4) It has been pointed out that it is possible to prospect antimony ore deposits within the country itself.

We recommend that the Geological Survey of India should take early steps to explore the possibilities of prospecting fresh sources of antimony ore deposits in the country.

(5) The industry has complained that as antimony ore is imported in different forms, such as, lump, powder, etc., difficulty is experienced in getting it passed by the Customs authorities, duty free. The manufacturer, therefore, requested that antimony ore should be clearly defined in the Indian Customs Tariff.

We recommend that antimony ore should be adequately defined and shown separately in the Indian Customs Tariff, as under:

*Item No.*

26 (1) Antimony ore in any form such as—

- (i) Lump ;
- (ii) Powder or fine ; and
- (iii) Concentrates.

The import of antimony ore should be allowed duty free, as at present.

**14. Summary of conclusions and recommendations.**—Our conclusions and recommendations are summarised as under :—

- (i) The domestic demand for antimony metal during the next three years is about 600 tons per annum as detailed in paragraph 4.
- (ii) The industry has the capacity to meet the entire demand of the country for antimony. (Paragraph 5).
- (iii) To ensure that a uniform quality of antimony metal is supplied to consumers, the industry should formulate standards in respect of its products in consultation with the Indian Standards Institution, Delhi. (Paragraph 6).
- (iv) Statistics of imports of crude antimony and antimony metal should be separately compiled and shown in the Accounts relating to the Sea-Borne Trade and Navigation of India. [Paragraph 7(a)].
- (v) Government of India should consider the possibility of entrusting the issues of import licences for antimony ore and antimony metal to one Department. [Paragraph 7(d)].
- (vi) Since exchange difficulties persist imports of antimony metal should be allowed into the country after taking into consideration the quantum of indigenous production. [Paragraph 7(d)].
- (vii) Government of India should continue the existing protective duties of 30 per cent. and 20 per cent. *ad valorem* on antimony and crude antimony respectively for a period of two years from 1st April 1940. [Paragraph 11].



- (viii) We are also informed that antimony sulphide ore is available in the vicinity of Raipur in the Central Provinces and that the possibility of developing this area is being examined. We suggest that these possibilities should be fully explored without delay so as to obtain indigenous ore for this industry. (Paragraph 12).
- (ix) Until such time as the full requirements of the indigenous industry are met from Chitral ore, that ore should be allowed to be imported as a special case in order to enable the industry to step up its production and meet in full, the demand of the country. [Paragraph 13(1)].
- (x) As the industry is of vital importance, adequate transport facilities should be made available to it. The Government of India should take up with the Government of Pakistan the question of arranging the necessary transport facilities for movement of ore from Chitral to the Indian Dominion. [Paragraph 13 (2)].
- (xi) All Government purchases of antimony should be made from the indigenous manufacturer at the fair selling price determined by the Board, provided its quality continues to be satisfactory. [Paragraph 13(3)].
- (xii) The Geological Survey of India should take early steps to explore the possibilities of prospecting fresh sources of antimony ore deposits in the country. [Paragraph 13(4)].
- (xiii) Antimony ore should be adequately defined and shown separately in the Indian Customs Tariff as indicated in paragraph 13(5).

15. **Acknowledgments.**—The Board wishes to express its thanks to the witnesses who appeared before it and gave evidence. The Board also desires to thank Mr. S. V. Rajan for his assistance in cost investigation.

G. L. MEHTA, *President*.

B. V. NARAYANASWAMY, *Member*.

R. DORAISWAMY, *Secretary*.

Bombay,

2nd August, 1949.

APPENDIX I (*Vide para. 1*).

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE

*New Delhi, the 6th August 1948.*

## RESOLUTION

## TARIFFS

No. 30-T(1)/48.—In their Resolution No. 218-T(55)/45, dated the 3rd November, 1945, as partially modified by Resolution No. 28-T(37)/47, dated the 26th November, 1947. The Government of India constituted a Tariff Board for the discharge of the duties specified in the Resolution cited above. It has now been decided that the Board shall be entrusted with the following functions in addition to those enumerated in paragraph 5 of the Department of Commerce Resolution No. 218-T(55)/45, dated the 3rd November, 1945, and paragraph 2 of the Ministry of Commerce Resolution No. 28-T(37)/47, dated the 26th November, 1947.

(1) to enquire, as and when required by Government, into the cost of production of a commodity produced in the country and to determine its wholesale, retail or other prices, and to report on the same ;

(2) to recommend to Government, as and when required, measures necessary for the protection of India's industries from dumping from abroad ;

(3) to undertake studies, as and when necessary, on the effects of *ad valorem* and specific duties and tariff valuations on various articles and the effects on tariff concession granted to other countries and

(4) to report to Government, as and when necessary, on combinations, trusts, monopolies and other restraints on trade, which may tend to affect the industries enjoying protection by restricting production, or maintaining or raising prices and to suggest ways and means of preventing such practices.

2. The Tariff Board is also hereby authorised to maintain a continuous watch over the progress of protected industries by conducting enquiries, as and when necessary, on the effect of the protective duties or other means of assistance granted, and advise Government regarding the necessity or otherwise of modifying the protection or assistance granted. The Board should also keep a careful watch to ensure that conditions attached to the grant of protection were fully implemented and that the protected industries were being run efficiently.

3. In discharging the functions enumerated in paragraph 2 of this Resolution, the Board should, in the case of all industries where he is concerned, seek the assistance and advice of the Director General, Industry and Supply as an organisation, which will supply the Board with the technical assistance required in keeping the necessary watch over the growth of protected industries.

(Sd.) S. RANGANATHAN,

*Joint Secretary to the Government of India.*

## APPENDIX II [Vide para. 3(C)].

*List of witnesses examined by the Board and the dates on which they were examined.*

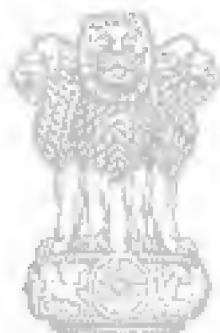
<u>Date</u>	<u>Name of the representative</u>	<u>Name of the firm</u>
<u>Producers—</u>		
8-7-49	1. Mr. Ramlal Parikh .. } 2. Mr. Chimanlal D. Parikh .. } 3. Mr. J. C. Shah .. } 4. Mr. A. Schwarz .. }	representing M/s. Star Metal Refinery, 361, Hornby Road, Fort, Bombay.
<u>Importers—</u>		
5-7-49	1. Mr. P. M. Binani .. .. ,, 2. Mr. Vithaldas .. .. } 3. Mr. S. Lal .. .. }	M/s. Pragdas Mathuradas (Bombay) Ltd., Bhuleshwar, Bombay, M/s. Parshottam Das Narsingdas, 53, 2nd Bhoiwada Lane, Bhuleshwar, Bombay. M/s. Kodarlal Chandulal Parikh, Gulabwadi, Bombay.
<u>Consumers—</u>		
6-7-49	1. Mr. D. C. Mody .. .. } 2. Mr. M. C. Mody .. .. } 3. Mr. Gopalakrishna .. .. } 4. Mr. H. C. Goyal .. .. }	M/s. Gujarati Type Foundry, Gaiwadi, Bombay. M/s. Indian Smelting & Refinery, Shale Building, Bank St., Fort, Bombay. G. I. P. Railway, Lower Parel, Bombay. B.B. & C.I. Rly., Mahalaxmi, Bombay. The Estrela Batteries Ltd., Yusuf Building, Churchgate St., Fort, Bombay. M/s. Indian Standard Metal Co., Gulabwadi, Bombay. The Standard Batteries Ltd., 42, Forbes St., Fort, Bombay.
7-7-49	5. Mr. R. M. Antia .. .. ,, 6. Mr. Khalid .. .. } 7. Mr. S. Lal .. .. }	
9-7-49	8. Mr. Doshi .. .. ,, 9. Mr. G. S. Bhatnagar .. .. ,, 10. Mr. K. G. Parameswaran .. .. ,,	

## APPENDIX III (Vide para. 9).

Statement showing the break-up of landed cost into C.I.F., customs duty and clearing charges of Antimony and Antimony Ore  
(figures given are per cwt.).

Serial No.	Source of information	Origin of import	Date of import	Type & Specification	C.I.F.	Customs duty	Clearing Charges	Landed cost	Selling price	Remarks
					Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	
				(A) ANTIMONY METAL						
1	M/s. Pragdas Mathuradas, Calcutta.	China	13-2-48	Chinese refined.	128 0 11	37 7 4	1 4 3	164 12 6	167 8 0	
2	Do.	China	12-3-48	"	128 6 6	39 0 9	1 10 2	169 1 5	169 4 0	
3	The East Asiatic Co. (India) Ltd.	China	June '48	Regulus 90% Sb.	..	..	..	170 0 0	160 0 0	
4	M/s. Pragdas Mathuradas (Bombay) Ltd.	China	Present	..	..	..	..	163 0 0	..	These quotations do not refer to actual imports.
5	Do.	U. K.	Do.	..	..	..	..	173 0 0	..	
6	M/s. Mathuradas Govardhandas, Calcutta.	U. K.	Do.	..	120 0 0	36 0 0	1 4 0	157 4 0	160 0 0	
7	Collector of Customs, Calcutta	China	6-5-48	Chinese Regulus.	125 6 8	..	..	..	..	
				(B) ANTIMONY ORE						
	Extract from Metal Market Review, Annual Number dated 1-2-49, quoted by D.G.I. & S.	Burma	..	..	42 15 8	..	0 12 0	43 11 8	..	
		China	..	..	65 13 2	..	0 12 0	66 9 2	..	
		Siam	..	..	63 7 0	..	0 12 0	64 3 0	..	
		U.S.A.	..	..	64 8 6	..	0 12 0	65 4 6	..	

LS24/TBB-1,900-28.11.49-GIPS



सत्यमेव जयते